DPD-0734-59 Copy 2 of 5

3 0 JAN 1959

MEMORANDUM FOR

: Assistant Director for Scientific Intelligence

SUBJECT

: Purchase of "N" Racks

REFERENCE

: Memo to Project Director (TCS 4217-59)

dtd 13 Jan.1959 from AD/SI

1. The decision to cut headquarters procurement to two "N" racks was the recommendation of your office. Since your technical personnel were closest to the work it was assumed at the time of the recommendation that they understood the total number of racks on order by the Agency and whether the engineering models would meet their needs. The initial order was for 4 "N" racks and a cutback to "2" racks left only Serial No. 1 and 2 available for your use.

- 2. Your office was verbally advised on October 14, 1958 that Serial No. 3 was on loan from the Air Force and that if you desired another unit you should either furnish funding or justify the use of Project money. Your reply of 13 January 1959 was apparently a reply to this request.
- 3. In accordance with your request, we have taken the following actions:
  - (a) Obtained a delay in return of the "H" rack to the Air Force.
  - (b). Requested a reassessment of SAC's requirements.
  - (c) Explored the possibility of purchasing an "N" rack from FOG.
  - (d) Requested Contractor for cost and delivery data for one or two additional "N" racks. each with 7 month delivery).

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- 4. It is still felt however, that the funding required for any "N" racks to be ordered at this time should be furnished by your office.
  - 5. Your early reply on this matter would be appreciated.

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(sgd) Richard M. Bissell, Jr.

RICHARD M. BISSELL, JR. Deputy Director (Plans)

DATE APPE SE FORVRE LE 2000/09/01 : CAR PRO 1B00878R001400030039-7

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(28 Jan 59)

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## Memorandum UNITED STATES GOVERNMENT

TO : Mr. Richard M. Bissell, Jr.

DATE: 19 Jan 1959

FROM

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N Racks SUBJECT:

Facts are correct. This occurred during the rack cutback and recommended it. However, it is not clear that at the time of the decision the parties thereto knew the models would be breadboards and unusable. The Contract provides for "F.l.c. Prototype and Engineering Production: Production of two (2) deliverable engineering models and one (1) deliverable prototype each of (1) auxiliary data display equipment and (ii) AGC-data selector equipment all for the fourteen-channel system (M & N Racks)."

Several times this matter has been brought to your attention and you stated that if the unit was desired, OSI should fund for it and we would procure it for them. Estimated cost to complete one unit is two units is OSI was verbally notified ( notified 14 Oct 58) of your decision on this several times but only now have we gotten any comments.

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